

**Department of Human Services
Trust Fund 7290 Independent Review
Dedicated Account**

<i>Office:</i> _____	<i>Date:</i> _____
<i>Custodian:</i> _____	<i>Custodian</i>
<i>Reviewer/ Position:</i> _____	<i>Supervisor:</i> _____
	<i>Period</i>
	<i>Reviewed:</i> _____

PURPOSES

The Dedicated Independent Review is a management monitoring procedure to provide reasonable assurance of the proper administration of each client's dedicated account. The reviewer should have fiscal expertise and be independent from any dedicated account activity.

REVIEW PERIOD

The Dedicated Independent Review should be conducted by the appointed reviewer on a half-yearly basis to review the entire previous six months of activity.

SAMPLING METHOD

This review adopts a sample selection process whereby samples are selected indiscriminately and without bias. Each item in the population has an opportunity to be selected. A sample will be selected without requiring a statistic tool for the random selection.

REPORTING

For each question mark either Y (yes), N (no), or N/A (not applicable) in the applicable column of the table. For any N or N/A response, explain in the comments box how or why the response did not comply with policy, or why the question was not applicable. Also record in the comments box any additional information requested as part of the question, or any other information that is found to be important or that is needed to further clarify a response or situation.

Use the applicable schedules A-D to complete and document the findings for each examination.

The reviewer should complete the Dedicated Independent Review in the month and a half following the end of each six month period, and must submit a copy of the review to the Trust Fund Coordinator by February 15 and August 15 after the end of each period.

Section I: Custodian/Custodians Supervisor

Objective: To ensure that the Custodian understands the responsibilities of proper management for Client's trust funds.

#	Review Question	Y,N, N/A	Comments
1.1	Were all exceptions listed in the summary of the previous Dedicated Independent Review corrected? (If no, list any uncorrected exceptions)		
1.2	Is the Dedicated signature card current?		
1.3	Are there any signers on the Dedicated signature card the custodian is not aware of?		
1.4	Are changes to the Dedicated signature card made through OFO? (Compare custodian's card with the card acquired from OFO and list any differences)		
1.5	Is a separate dedicated bank account set up to track all dedicated funds?		
1.6	Is a separate dedicated client account set up for each client receiving dedicated money? (sub-accounts are not permitted)		
1.7	Is all movement of dedicated money tracked in these accounts?		
1.8	Is permission from Social Security obtained before checks are written from the account?		
1.9	Is a separate reconciliation performed on the Dedicated Account on a monthly basis?		
1.10	What can dedicated money be used for?		
1.11	What is done with the remaining balance in a closed account?		

Section II: Case Worker/Case Worker Supervisor

Objective: To ensure that Caseworker understands the responsibilities of tracking and managing individual accounts, and effectively provides for Client's needs.

#	Review Question	Y,N, N/A	Comments
2.1	What are your responsibilities in managing this account?		

2.2	Do these transactions appear to be properly posted and reasonable? (Show them the transaction detail you received from the custodian)		
2.3	Do you review the client's Dedicated account on a monthly basis? If yes, what tool do you use, and what do you look for?		
2.4	Do you notify the custodian of the closure of each client's Dedicated account?		

Section III: Check Signer

Objective: To ensure the Check Signer is a controlling factor for the accuracy and necessity of fund disbursements to Client.

	Review Question	Y,N, N/A	Comments
3.1	Judgmentally select one of the check signers from the authorized list, and have them describe how they verify whether the checks which they sign are reasonable and supported with adequate documentation?		

Section IV: Fund Disbursements (Checks)

Objective: To verify that checks are accurate, properly authorized, benefit the client solely, and are properly documented.

Sample Size

Using the sampling method described on the front page of the directions, randomly select the required sample size of checks from the Dedicated check register. Complete **Schedule A "Test of Dedicated Trust Fund Disbursements"** with the following instructions.

4.1 Item: Supporting Documentation tying to selected checks (examples include: Receipts, Budgets, Contracts, Bills, Cost of Care, etc.)

Every purchase or expense needs to have a supporting document validating the client's purchase or need of the expense. Use the documentation to validate the actual expense and corresponding need of the client.

4.2 Item: Social Security Permission Documentation

Permission from Social Security is required before any disbursement can be made from the dedicated account. This permission can come in the form of an email, letter, phone call, etc. as long as it is documented.

4.3 Item: Form 298s

A Form 298 must exist before a check can ever be cut. Document that each Form 298 exists and has been properly authorized. A Form 298 under \$500 must be signed by the appropriate caseworker. If the amount is over \$500, both the caseworker and the caseworker's supervisor must sign the Form.

4.4 Item: Supporting Documentation - Form 298s - Check register - Actual returned checks for all checks in the sample

Document that the amounts on the supporting documentation, Form 298, check register, and the actual check all match.

4.5 Item: Dedicated Signature Card

Use the Dedicated signature card to document that the checks were authorized properly. A properly authorized check must have two signatures. Each signature must be on the signature card, and neither signature on the check may be on the Form 298.

Section V: Fund Receipts (Deposits)

Objective: To ensure that all of the client's trust money is distributed in an accurate and timely manner, and that all received checks are deposited.

Sample Size

Using the sampling method described on the front page of the directions, randomly select the required sample size of Dedicated clients from the client alpha. Complete **Schedule B "Test of Dedicated Receipts"** with the following instructions.

5.1 Item: Dedicated SSI Information Letter for each sampled client – Deposit Detail for each sampled client

Compare the Deposit Detail with the amount listed on the Dedicated SSI Information Letter, and document that the entire amount expressed in the letter has been deposited into the client's account.

5.2 Item: Receipt Writer Report – Deposit Receipt – Deposit Detail for each sampled client

Select one deposit for each sampled client on Schedule B. Compare the dates and amounts of each of the above items to ensure the timely deposit and accurate posting of each selected deposit. Look to see that all deposits are made within 3 days of receipt, that deposits are entered into Quickbooks within a reasonable time period after the deposit, and that all amounts from each report are consistent from beginning to end.

Most deposits will be made into this account electronically. Because of the infrequency of these deposits, no electronic reporting system has been set up to inform us when a deposit has been made. The Trust Fund Coordinator will manually access the account history every week and let the appropriate Custodian know via email whether their client(s) have received a deposit. The email will include the name of the client, the date of the deposit, and the amount of the deposit. This email can be used in place of the receipt writer report and deposit receipt as the base documentation in which to compare dates and amounts. However, because the custodian is unaware of the deposit's existence until the receipt of the email, the date of the email instead of the date of the deposit should be used when determining whether a timely deposit has been made.

Section VI: Voiding Checks

Objective: To verify that voided checks are handled properly to ensure that the clients' money is only benefiting the client.

Sample Size

Using the sampling method described on the front page of the directions, randomly select the required sample size of voided checks from the Dedicated voided check report. Complete **Schedule C “Test of Dedicated Void and Outstanding Checks”** with the following instructions.

6.1 Supervisor Approval

The custodian’s supervisor must approve the voiding of any check before it can be voided. Documentation of this approval must accompany all voided checks. Determine if such approval is present for each sampled voided check. Provide an explanation for each item where approval is missing.

6.2 Stop Payment Documentation

For each sampled voided check, determine if a stop payment is required. Document whether each voided check requiring a stop payment is documented with a stop payment receipt. Provide an explanation as to why a stop payment was not issued if one was required.

6.3 Void or Other Documentation

List any additional documentation, such as the actual voided check or Quickbooks printout, that may serve as proof that the check was in fact voided and not cashed. If there is no supporting documentation of any kind, gain an explanation from the custodian as to why the check was voided and the reason for the lack of documentation.

6.4 Item: Ending months reconciliation

Using the ending month’s Dedicated reconciliation, examine the outstanding checks and deposits section. Document on **Schedule C** any check number that has been outstanding for more than 90 days along with the date it was originally issued. List them as outstanding checks in the explanation box.

Section VII: Miscellaneous

Objective: To ensure that various aspects of the Trust Account have been handled and are maintained properly.

7.1 Item: Dedicated Signature Card

Use the Dedicated signature card to complete **Schedule D “Test of Dedicated Check Signers”** to test the controls accompanying the check signers.

7.2 Item: Missing/Duplicate check report

Examine the duplicate checks on the Dedicated missing /duplicate check report. Look for any duplicate checks where the vendors are different or where both amounts are either positive or negative. Document any finding as an exception that needs to be corrected in the summary.

7.3 Item: Interest deposit detail - Interest allocation

Compare the Interest allocation reports with the corresponding Dedicated deposit details for each quarter during the review period. Ensure the deposit detail’s accuracy by spot checking at least 5 deposits to ensure that they match the amounts listed on the allocation report. Highlight any exceptions and include them as items to be corrected in the summary. Increase the sample size as discrepancies are found.

Section IX: Summary

The summary serves as a summation of the review that specifies at a glance the corrective action needed before the next review, in addition to any reminders of policy, recommendations, or recognition of exceptional conduct.

In the first section, list any finding that can and must be corrected, including those items found in question 1.1 that remain uncorrected from the previous review, or any outstanding item that should be reviewed at the beginning of the next review. Start by referencing the number in the review where the exception was found. List the name of the individual that will be making the correction, and detail the required action to correct the problem. This becomes the checklist of items reviewed in question 1.1 of the following review.

The second section is reserved for findings that are cause for concern but do not require the correction of past errors. Reminders of policy for minor findings should also be listed here. Detail what the finding was and the proper policy or procedure required to be followed in the future.

The last section is for any recommendations the reviewer may have to improve efficiency, or any compliments the reviewer feels are deserved for exceptional conduct.

Review the summary with all parties involved to view the exceptions, discuss corrective action, review policy issues, recommendations, and exceptional conduct.

Section X: Review Report

After completing the Dedicated Independent Review and discussing the results consolidated in the summary with all involved parties, the Trust Custodian and the Custodian's Supervisor should sign the form below indicating that the results of the review were discussed with them, and that they had the opportunity for input. Their signatures do not mean that they necessarily agree with the observations.

Trust Custodian: _____

Date: _____

Supervisor: _____

Date: _____

After completing the review, sign and date the form below and communicate any suggestions or significant issues to Ryan Nilsen, DHS Trust Fund Coordinator. Also send a copy of this form and the related summary to Ryan Nilsen, Bureau of Finance, Department of Human Services, 120 North 200 West, Room 213, Salt Lake City, Utah 84103.

Reviewer: _____

Date: _____